

Changing Lanes

Transition planning for entrepreneurs and family businesses



LOFTUS ALLEN & Co.

CHARTERED ACCOUNTANTS and FAMILY BUSINESS ADVISORS

Fall 2010

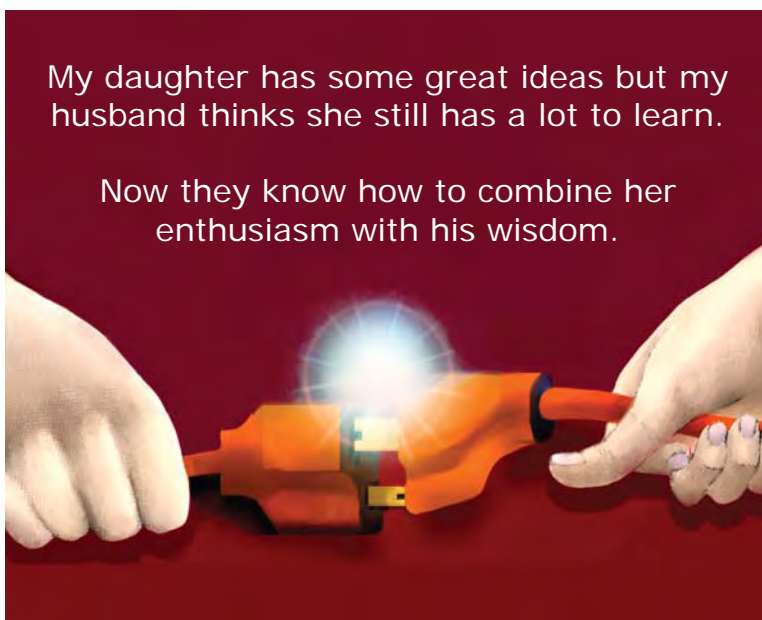
with compliments from



Terri Heggum-Allen, C.A.
Steve Allen, C.A.

Please Pass the Potatoes

If you've ever made this request, or responded to such a request, you understand how collaboration works! Human beings were designed to collaborate. If we were meant to do things alone, there would be no need for marriages and families – and great teams and organizations wouldn't exist! None of us is as smart as all of us. Together, we are better.



My daughter has some great ideas but my husband thinks she still has a lot to learn.

Now they know how to combine her enthusiasm with his wisdom.

Inside....

Equipping the Communication Vehicle 2

Why and When to Collaborate 2


Five Steps to Successful Collaboration 3

Building a Collaborative Team 4

Collaboration is a problem-solving process that requires curiosity and open-mindedness. It's about going beyond finding a compromise to developing a win-win solution.

Collaboration works best when based on a combination of passion and purpose; people who care deeply about a subject and have a vested interest in seeing it turn out well. So family businesses are the perfect forum for collaboration!

Collaboration does not require leadership. In fact, collaboration implies more or less equal partners who work together to create and share synergies – and build on each others' strengths to develop new opportunities.

In the past two issues of Changing Lanes, we examined Family Councils and Advisory Boards as forums for families to share ideas and opinions – and ultimately make good decisions together. The next step is to look at ways to enhance the communication and collaboration that are necessary for making those sound decisions, and ensuring a positive outcome for both the family and the business. 

Changing Lanes

Transition planning for entrepreneurs and family businesses

Why and When to Collaborate

Dictionary definitions of collaboration concur that it represents *the act of working jointly; for a common goal* – a very apt description for the overarching philosophy of a family business.

Collaboration is valuable in many areas of problem-solving, especially when you need to:

- *Brainstorm for innovative ideas*
- *Get different perspectives on a current idea*
- *Identify potential obstacles*
- *Find a resolution to a conflict*
- *Look for patterns or trends*
- *Tap into, pool or coordinate resources*
- *Co-create products or services*

So collaboration should be the approach to all family council and advisory board meetings as these are also forums for connecting and engaging people, or grooming, mentoring and developing the next generation leadership. In fact, collaboration has been identified as one of “four landmarks of a healthy succession landscape” (Frankenberg 2010).

Additionally, for those who find it difficult to get away from working IN the business, family workshops are excellent venues for working collaboratively ON the business.

Yes, there are situations when collaboration isn't the right approach to problem-solving. There will always be times,

especially in the management of the business, when a solo or small group decision is required. Collaboration takes longer, and there will be occasions when a prompt decision is absolutely necessary.

Also, if there is inherent competition among participants or a WIIFM (what's in it for me) mentality, the competitiveness may override the need for collaboration. In these situations, a facilitated meeting or mediation is often the better option.

If you are apprehensive about the idea of collaboration, first try a structured forum or workshop setting. Consider the following comments from a group of families who spent a day together collaborating about how their family business might transition. When asked what aspect of the workshop was the most beneficial, they responded:


- *It showed how important it is to figure out what you want for the business.*
- *Learning how to focus on talking together about business and family.*
- *Realizing that, in the end, common goals and interests are most important for the business.*
- *That personal differences can be set aside and family values/relationships maintained.*
- *The importance of and the need for communication.*

Continued on page 3

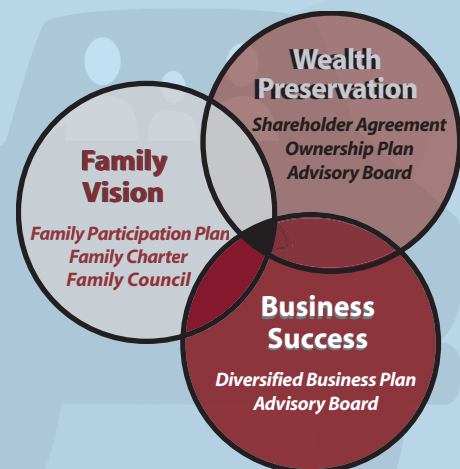
As we continue our exploration into the importance of a well-equipped vehicle in arriving safely at your preferred destination, we will look at some of the key methodologies for creating the wheel alignment that ensures a smooth journey.

Meeting forums (such as Family Councils and Advisory Boards), together with the **documentation or policies** contained in a Family Charter, Family Participation Plan, Shareholder Agreement, Ownership Plan, or Diversified Business Plan that are developed through these forums, are all more productive and effective when their messages are aligned.

And as members of a business family typically wear multiple hats, **effective communication and collaboration** are essential tools in developing and maintaining this balance in the three circles. Collaboration and open communication build the trust and respect that is renowned for uniting families in business together, and giving them a competitive edge.

In this edition, we promote the benefits of collaboration. 

Equipping the Communication Vehicle



Changing Lanes

Transition planning for entrepreneurs and family businesses

Five Steps to Successful Collaboration

While about half of us think we are collaborative, only 25%-30% of us are considered collaborative by others. So there is lots of room for improvement!

Effective collaboration produces results through unity, creativity, and innovation. Effective collaboration breeds trust and respect.

Collaboration works if there is a “we focus” around the outcome of the discussion. This “we focus” begins with an awareness of what you are collectively trying to achieve, and ends with full engagement by each team member. Consider the five key steps in the process.

Step 1 ~ Clarity of Purpose

Identify the objectives of the meeting: what is it you are trying to achieve and why. Is the goal to generate ideas or get to a decision? Ask yourself what it is you want the group to know or have accomplished by the end of the session. Ensure everyone is aware of the **what** and the **why**.



Step 2 ~ Buy-in

Once there is clarity around the purpose, the next step is to confirm buy-in from each member of the group – a common interest in getting to that positive outcome. So before proceeding, check that everyone is committed both to the process and to the meeting objectives.

Step 3 ~ Participation

The goal of this step is to ensure everyone contributes to the idea pool and discussions. Whether it’s a free-flowing brainstorming approach or a structured process for sharing thoughts and ideas, find ways to ensure everyone has an equal voice. In every group, there are those who are more passive and reluctant to speak. Then there are the more aggressive


types who can easily monopolize the conversation. Participation involves negotiation and finding a solution that is beyond a compromise. Assertiveness and reciprocity are key.

Step 4 ~ Reflection

This is where great listening and self-awareness skills are needed. Each member of the group has a duty to listen to others and seriously reflect on differing points of view. So if a team member suggests something, always give it full consideration – even if you think it’s a stupid idea. It is important that each person is aware of their own biases, is open to alternatives, and can build on the ideas of others.


Step 5 ~ Engagement

There is no place for wait and see in collaboration. Alongside commitment to the meeting *objective*, there needs to be a commitment to the meeting *outcome*, and a proactive approach to achieving that outcome. A collaborative group should hold themselves accountable for attaining the agreed-upon results.

At the end of the day, you want a decision that people will support – outcomes born of interactive efforts as opposed to independent thinking. That is successful collaboration! 

Why and When to Collaborate *continued*

- *Getting to discuss real issues and bringing them into the open.*
- *That conflict isn’t always bad and that it can in fact help all of us to make positive changes.*
- *Different charts were excellent in helping create benchmarks for going forward in business.*
- *Hearing from others gave our family a good kick start.*
- *The communication that took place at the table during the exercises.*
- *It encouraged communication and opening up to talk about the future.*

At collaborative sessions like this, everyone leaves energized and feeling that together they’ve really accomplished something. If you would like to learn more about our Changing Lanes sessions for business families, just give us a call. 

Changing Lanes

Transition planning for entrepreneurs and family businesses

Building a Collaborative Team

Teams are made up of individuals who can combine their efforts to accomplish **shared goals**.

It is important to distinguish between a **team** and a working **group**. A **group** is made up of individuals who happen to work in the same organization, or are perhaps connected because they do the same type of work, or have the same skill sets. Typically, a **group** is comprised of people who work independently while under the direction of a leader.

A true **team**, on the other hand, is defined as a group where members work **interdependently**, relying on participation and contributions from every member for their success.

A **team** needs alignment and synergy if it is to be both efficient and productive.


So if your goal is to build a collaborative team, here are some tried-and-true strategies to get you started:

■ Assess everyone's conative instincts so the group has clarity around how each person approaches a task or problem. The more styles you can incorporate in your team, the greater the synergy and alignment. Conative instincts are the part of the DNA that determines our drive or mental energy.

■ Secondly, help members understand each other's default conflict-handling style. Conflict is just another word for the problem-solving that is the reason for collaboration in the first place. We use Alexander Hiam's research to show teams how they can learn to collaborate when both the outcome and the relationship are important. Each style has its pros and cons, and is effective at appropriate times. Your team needs to know when and how to use the COLLABORATE style and why it is more sustaining than a COMPROMISE.

■ Finally, a team of experienced collaborators were asked what they considered to be the right attitude for a great collaborator. After their lively, collaborative session, here's what they determined to be the top attributes:

- Curiosity
- Open-mindedness
- Enthusiasm
- Candor
- The courage to speak out
- Self-management and self-awareness
- Great listening skills

For more information on assessing conative instincts or identifying your team's natural conflict-handling styles, just give us a call. 



LOFTUS ALLEN & Co.

CHARTERED ACCOUNTANTS and FAMILY BUSINESS ADVISORS

1388-C Cornwall Rd.
Oakville, Ontario
L6J 7W5

905-566-7333
www.loftusallen.com